

# Senate File 2136 - Enrolled

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1 1 SENATE FILE 2136  
1 2  
1 3 AN ACT  
1 4 RELATING TO REAL ESTATE BROKER TRUST ACCOUNTS AND ABOLISHING  
1 5 THE LOCAL HOUSING ASSISTANCE PROGRAM.  
1 6  
1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
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1 9 Section 1. Section 16.10, subsection 1, Code Supplement  
1 10 2007, is amended to read as follows:  
1 11 1. Moneys declared by the authority to be surplus moneys  
1 12 which are not required to service bonds and notes issued by  
1 13 the authority, to pay administrative expenses of the  
1 14 authority, or to accumulate necessary operating or loss  
1 15 reserves, shall be used by the authority to provide grants,  
1 16 subsidies, and services to lower income families and very low  
1 17 income families through the programs authorized in this  
1 18 chapter and consistent with legislative findings and guiding  
1 19 principles. ~~In addition, the authority may use such surplus~~  
~~1 20 moneys to provide assistance to the local housing assistance~~  
~~1 21 program established in sections 15.351 through 15.354 for~~  
~~1 22 purposes of providing assistance to low and moderate income~~  
~~1 23 families. Surplus moneys shall not be used for infrastructure~~  
~~1 24 or administration purposes under the local housing assistance~~  
~~1 25 program.~~  
1 26 Sec. 2. Section 16.91, subsection 1, Code Supplement 2007,  
1 27 is amended to read as follows:  
1 28 1. The authority through the title guaranty division shall  
1 29 initiate and operate a program in which the division shall  
1 30 offer guaranties of real property titles in this state. The  
1 31 terms, conditions and form of the guaranty contract shall be  
1 32 forms approved by the division board. The division shall fix  
1 33 a charge for the guaranty in an amount sufficient to permit  
1 34 the program to operate on a self-sustaining basis, including  
1 35 payment of administrative costs and the maintenance of an  
2 1 adequate reserve against claims under the title guaranty  
2 2 program. A title guaranty fund is created in the office of  
2 3 the treasurer of state. Funds collected under this program  
2 4 shall be placed in the title guaranty fund and are available  
2 5 to pay all claims, necessary reserves and all administrative  
2 6 costs of the title guaranty program. Moneys in the fund shall  
2 7 not revert to the general fund and interest on the moneys in  
2 8 the fund shall be ~~transferred to the department of economic~~  
~~2 9 development for deposit in the local housing assistance~~  
~~2 10 program fund established in section 15.354 deposited in the~~  
~~2 11 housing trust fund established in section 16.181 and shall not~~  
2 12 accrue to the general fund. If the authority board in  
2 13 consultation with the division board determines that there are  
2 14 surplus funds in the title guaranty fund after providing for  
2 15 adequate reserves and operating expenses of the division, the  
2 16 surplus funds shall be transferred to the housing assistance  
2 17 fund created pursuant to section 16.40.  
2 18 Sec. 3. Section 543B.46, subsection 1, Code Supplement  
2 19 2007, is amended to read as follows:  
2 20 1. Each real estate broker shall maintain a common trust  
2 21 account in a bank, a savings and loan association, savings  
2 22 bank, or credit union for the deposit of all down payments,  
2 23 earnest money deposits, or other trust funds received by the  
2 24 broker or the broker's salespersons on behalf of the broker's  
2 25 principal, except that a broker acting as a salesperson shall  
2 26 deposit these funds in the common trust account of the broker  
2 27 for whom the broker acts as salesperson. The account shall be  
2 28 an interest-bearing account. The interest on the account  
2 29 shall be transferred quarterly to the treasurer of state and  
2 30 transferred to the ~~department of economic development Iowa~~  
~~2 31 finance authority for deposit in the local housing assistance~~  
~~2 32 program trust fund established in section 15.354 16.181 unless~~  
2 33 there is a written agreement between the buyer and seller to  
2 34 the contrary. The broker shall not benefit from interest  
2 35 received on funds of others in the broker's possession.  
3 1 Sec. 4. Sections 15.351 through 15.354, Code 2007, are  
3 2 repealed.  
3 3 Sec. 5. TRANSFER OF FUNDS. Any unobligated funds in or

3 4 received for deposit in the local housing assistance program  
3 5 fund, created in section 15.354, shall be transferred to the  
3 6 Iowa finance authority for deposit in the housing trust fund  
3 7 established in section 16.181.

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3 11 \_\_\_\_\_  
3 12 JOHN P. KIBBIE  
3 13 President of the Senate

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3 15 \_\_\_\_\_  
3 16 PATRICK J. MURPHY  
3 17 Speaker of the House  
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3 19 I hereby certify that this bill originated in the Senate and  
3 20 is known as Senate File 2136, Eighty-second General Assembly.

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3 23 \_\_\_\_\_  
3 24 MICHAEL E. MARSHALL  
3 25 Secretary of the Senate

3 26 Approved \_\_\_\_\_, 2008

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3 30 CHESTER J. CULVER  
3 31 Governor